



TECHNICAL AMENDMENTS TO THE NEW PUERTO RICO GENERAL CORPORATIONS LAW

On June 12, 2010, the Governor of Puerto Rico signed into law certain technical amendments to clarify and correct various provisions of Puerto Rico's new General Corporations Law enacted on December 16, 2009, and effective as of January 1, 2010. The amendments became effective immediately upon the signature of the Governor. Among them, the following changes stand out:

1) Articles 15.01 and 15.03 are amended to respectively clarify that the annual reports to be filed by domestic and authorized foreign corporations do not have to be sworn before a notary public, but must be certified (signed), under penalty of perjury, by an authorized representative of the corporation.

2) As originally enacted, articles 15.01 and 15.03 also respectively required that domestic and authorized foreign corporations with a volume of business exceeding \$3 million include with their annual reports a financial balance sheet audited by a CPA licensed in Puerto Rico, and that for those domestic and authorized foreign corporations with a volume of business not exceeding \$3 million the financial balance sheet be compiled by a CPA licensed in Puerto Rico. This requirement has been changed for domestic and authorized foreign corporations with

a volume of business not exceeding \$3 million. Such corporations are now only required to include with their annual reports a financial balance sheet prepared in accordance with generally accepted accounting principles by a person with general knowledge of accounting. This means that, for such corporations with a volume of business not exceeding \$3 million, the financial balance sheet may be prepared by the person who generally keeps the financial records of the corporation. The amended requirement applies to annual reports commencing with the annual report for the year 2009. Thus, those corporations that have yet to file their annual reports for the year 2009 may benefit from the amendment.

3) Article 21.03 is amended to provide that the annual fee required of domestic and foreign limited liability companies is due by April 15 of each year, instead of March 1.

4) Finally, several provisions are amended to give corporations the option of filing and requesting documents, requesting extensions for the filing of annual reports, and paying fees either in the offices of the Department of State or online through the internet, once the Department of State starts providing this service.

The above summary is intended for information purposes only. It cannot be considered a legal opinion, and it does not intend to consider all the tax and legal considerations that could be relevant to any particular person or entity. It should also be noted that the changes discussed herein were recently enacted, and that the PR Treasury has not yet issued regulations, tax forms or interpretative announcements on such changes.

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